

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title: AN ORDINANCE relating to the Bell Harbor Marina; authorizing the Mayor to execute a Termination of Agreement and Release of the Memorandum of Understanding between the City and the Port of Seattle for the operation and maintenance of the marina; and ratifying and confirming prior acts.

Summary and background of the Legislation:

In 1994, Mayor Norm Rice signed an MOU with the Port of Seattle obligating the City to fund construction of Bell Harbor Marina and share a portion of major maintenance costs into the future. The City contributed \$1.7 million from the Cumulative Reserve Subfund in 1995 toward construction costs. Under the MOU, the Port was obligated to cover major maintenance from operating revenue, and where costs could not be recovered, the City and Port would enter into a cost share for maintenance, where the City pays 30% of total maintenance costs. The City's share was also not to exceed predetermined caps set over two ten-year periods and one five-year period starting in 1996. Total cap over the 25 year period was \$3.8M in 2014 dollars. The Port was obligated but failed to provide the City with proper documentation prior to requests for funding, at least through 2012.

Since 2012, the Port provided financial detail showing no contributions to the major maintenance fund for the marina, and requested the City contribute its 30% cost share for past and future maintenance needs, totaling between \$3 million and \$4 million dollars, depending on inflation factors and year of expenditure. In meeting the interests of both parties to preserve the marina and honor the spirit of the original agreement, the City and the Port agreed to exit the current MOU, with the City additionally contributing \$2 million for maintenance over two years.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
Bell Harbor Marina	K732491	2203 Alaskan Way S	Q1 2015	Q4 2016

Please check any of the following that apply:

☐ This legislation creates, funds, or anticipates a new CIP Project.

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	Proposed 2015 Appropriation	New 2015 Appropriation (if any)	2016 Anticipated Appropriation
	Parks and Recreation	K72447 – Docks/Piers/Floats/Seawalls/Shorelines	1,000,000		1,000,000
TOTAL			1,000,000		1,000,000

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

This project is included in the 2015-19 Proposed CIP budget, and will not need additional appropriations if adopted.

Spending Plan and Future Appropriations for Capital Projects (000s):

Spending Plan and Budget	2014	2015	2016	2017	2018	2019	Total
Spending Plan		1,000	1,000				1,000
Current Year Appropriation							
Future Appropriations							

Spending Plan and Budget Notes:

Funding Source: REET I

Funding Source (Fund Name and Number, if applicable)	2014	2015	2016	2017	2018	2019	Total
REET I		1,000	1,000				
TOTAL		1,000	1,000				

Funding Source Notes:

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No.
- b) **What is the financial cost of not implementing the legislation?**
If this legislation is not implemented, the City and the Port may need to resolve this dispute through litigation, possibly resulting in a judgment that may be more than \$2 million.
- c) **Does this legislation affect any departments besides the originating department?**
No.
- d) **What are the possible alternatives to the legislation that could achieve the same or**

similar objectives?

None.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues:

List attachments to the fiscal note below: